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HOUSE BILL 785

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Mary Helen Garcia

AN ACT

RELATING TO TAXATION; EXTENDING THE TIME FOR GROSS RECEIPTS TAX  
DEDUCTIONS FOR TRADE SUPPORT IN A BORDER ZONE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-56.3 NMSA 1978 (being Laws 2003,  
Chapter 232, Section 1) is amended to read:

"7-9-56.3. DEDUCTION--GROSS RECEIPTS--TRADE-SUPPORT  
COMPANY IN A BORDER ZONE.--

A. The receipts of a trade-support company may be  
deducted from gross receipts if:

(1) the trade-support company first locates in  
New Mexico within twenty miles of a port of entry on New  
Mexico's border with Mexico on or after July 1, 2003 but before  
~~[July 1, 2008]~~ July 1, 2013;

(2) the receipts are received by the company

underscored material = new  
[bracketed material] = delete

1 within a five-year period beginning on the date the trade-  
2 support company locates in New Mexico and the receipts are  
3 derived from its business activities and operations at its  
4 border zone location; and

5 (3) the trade-support company employs at least  
6 two employees in New Mexico.

7 B. As used in this section:

8 (1) "employee" means an individual, other than  
9 an individual who:

10 (a) bears any of the relationships  
11 described in Paragraphs (1) through (8) of 26 U.S.C. Section  
12 152(a) to the employer or, if the employer is a corporation, to  
13 an individual who owns, directly or indirectly, more than fifty  
14 percent in value of the outstanding stock of the corporation  
15 or, if the employer is an entity other than a corporation, to  
16 an individual who owns, directly or indirectly, more than fifty  
17 percent of the capital and profits interests in the entity;

18 (b) if the employer is an estate or  
19 trust, is a grantor, beneficiary or fiduciary of the estate or  
20 trust or is an individual who bears any of the relationships  
21 described in Paragraphs (1) through (8) of 26 U.S.C. Section  
22 152(a) to a grantor, beneficiary or fiduciary of the estate or  
23 trust; or

24 (c) is a dependent, as that term is  
25 described in 26 U.S.C. Section 152(a)(9), of the employer, or,

.166174.1

underscoring material = new  
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1 if the taxpayer is a corporation, of an individual who owns,  
2 directly or indirectly, more than fifty percent in value of the  
3 outstanding stock of the corporation or, if the employer is an  
4 entity other than a corporation, an individual who owns,  
5 directly or indirectly, more than fifty percent of the capital  
6 and profits interests in the entity or, if the employer is an  
7 estate or trust, of a grantor, beneficiary or fiduciary of the  
8 estate or trust;

9 (2) "port of entry" means an international  
10 port of entry in New Mexico at which customs services are  
11 provided by the United States customs service; and

12 (3) "trade-support company" means a customs  
13 brokerage firm or a freight forwarder."